

**Mayor's column for
The Beacon
For publication on 10/2/08**

Last week the Everett Herald took an interest in the results of the State Auditor's report on their annual audit of the City of Edmonds' financial practices. For the record, we are audited by the State each year AND we have to pay the Auditor's Office to do it! This year's audit cost the Edmonds taxpayers \$53,000.

Each year we are audited by what seems to be a younger and younger crew just out of college. The turnover on the auditing staff must be fairly high. They are pleasant to work with and are very professional. They go by the book...strictly and to the letter of the law, as they believe it is written. Commonsense seldom comes into play when you go by the book.

This year they came up with a written finding that we take seriously. They claimed that during our 220th Street construction project, which spanned from 2005-2007, we allowed change orders that were not competitively bid. There were 19 City Council-approved change orders during that project totaling \$630,000. They singled out three that they took issue with.

The first was for \$30,000 of work requested by and performed for the Olympic View Water District. We are often taken to task when we pave a road and then a couple months later another entity comes along and digs it up for their work. Olympic View had the foresight to realize that they needed to work under 220th and thought it would be good to have the work done before we paved. So they piggybacked on our contract, had the contractor perform the work, and they paid for it, not the City of Edmonds!

The second was a similar project for the Edmonds School District on a project at Westgate Elementary for around \$66,000. The district also had the foresight to get the work done while everything was torn up rather than come back later to do it. Again, piggybacking onto our contract, they got their work done and paid for it. No City of Edmonds dollars were spent on the project.

The City was taken to task by the auditors for adding change orders to the original contract without going out and getting competitive bids. Commonsense says that both entities saved their respective taxpayers money by completing the jobs while our project was underway. I congratulate them for their thought process.

The third and final change order involved the expense of another \$340,000 for traffic control during the 220th Street project. A two-year-long process that involved the complete disruption of many neighborhoods necessitated additional flaggers, not only for the safety of the work crews but to allow safe ingress and egress for the neighbors. The contract clearly spelled out the estimated cost of traffic control. When the City requested more traffic control for the benefit of the neighbors, we expected to pay more. It wasn't a surprise, and when you create estimates on a project that size, they sometimes don't anticipate the reality of the situation.

The State Auditor team reviewed, studied, and investigated the City of Edmonds financial statements, internal controls, grant applications, federal awards, compliance with all state and federal regulations, and the City's \$134 million in assets, and the worst thing they found was a failure to go to competitive bids on a couple of piggyback contracts that we didn't expend any money on and that I believe was the right thing to do for the taxpayers.

The audit speaks well of our handling of City finances and is a credit to our staff